GOVERNMENT OF INDIA
SMALL SCALE INDUSTRIES AND RURAL AND AGRO INDUSTR
LOK SABHA

UNSTARRED QUESTION NO:1550
ANSWERED ON:02.08.2000
BOGUS KHADI INSTITUTIONS
ASHOK NAMDEORAO MOHOL

Will the Minister of SMALL SCALE INDUSTRIES AND RURAL AND AGRO INDUSTR be pleased to state:

(a) whether several outlets of Khadi Institutions in the country have turned to be bogus and exist only on papers;

(b) if so, whether these outlets continued to claim loans, rebates and tax concessions from friends in the KVIC;

(c) if so, the details of such outlets, State-wise; and

(d) the action taken or proposed to be taken against the officials of KVIC who are helping these bogus outlets?

Answer

THE MINISTER OF STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF SMALL SCALE INDUSTRIES AND AGF RURAL INDUSTRIES (SMT. VASUNDHARA RAJE)

(a) to (d): Vigilance inspections were conducted by the KVIC in various parts of the country to detect mal-practices in the claims of Khadi rebate. The details of these raids are enclosed at Annexure-A. A number of khadi rebate claims were prima-facie found bogus. Action has been taken by the KVIC by freezing the financial assistance or by suspending the khadi certificates etc.Disciplinary and administrative action has also been initiated/taken against the erring officials.